



COMMITTEE REPORT

TO: Mayor Brewer and Members of the City Council
FROM: The Golf Advisory Committee
SUBJECT: Recommendations for Wichita Golf
DATE: December 11th, 2012

Background

On March 20th, 2012 the City Council approved the formation of the Golf Advisory Committee. The Committee was tasked with determining whether privatizing Wichita's golf system would be in the best interest of both the City and the citizens of Wichita. On September 11th the Committee brought before the City Council a request for proposal (RFP) for the Council's consideration. At that workshop the Council instructed the Committee to complete the RFP process and form a recommendation on whether to proceed with the selected firm. On November 1st the staff screening selection committee (composed of City staff and select members of the Golf Advisory Committee) selected Landscapes Unlimited LLC (LU) as the best private proposal of the eight submitted. After being presented with both LU's written proposal and the business plan generated by the Golf Division, the Golf Advisory Committee elected to hear presentations from both parties on November 15th. The Committee also requested the Budget Office conduct an analysis on which proposal would be more beneficial to the enterprise fund's bottom line. The Committee met a final time on November 19th to create the recommendations presented in this document.

Recommendations

The members of the Golf Advisory Committee present at the November 19th meeting voted unanimously to present the following recommendations to the City Council. Committee members Randy Brown and Michael Williams were absent from the meeting but endorsed the recommendations after the fact.

- 1. Keep Wichita Golf under the control of the Golf Division.**

While the Committee felt that LU would do a great job with Wichita's golf system, ultimately they felt the Golf Division would be better if certain issues were addressed. The Committee felt as though LU's proposal focused heavily on improvements to concession and pro shop sales while failing to strongly differentiate themselves from the Golf Division in terms of actual golf and programming. In addition, the Committee felt as though LU's concession projections were unrealistic, and that with proper training the Golf Division could achieve results similar to those of LU.

The Committee also felt that the Golf Division had demonstrated great improvements over the past year, proven by an increase of over \$750,000 to the bottom line and marked

improvements in customer service. Because of the Golf Division's demonstrated ability to change and improve their practices, coupled with the great playing conditions of the courses, the Committee believes hiring LU would not benefit the City or the citizens of Wichita.

2. **Improve managerial oversight of the Golf Division.**

The Committee believes one of the biggest obstacles to the Golf Division's success may be its current reporting structure. While the Committee has confidence in the Division Manager (Don Harrison) and his staff, past experience has demonstrated the Department Director has served as a roadblock to positive changes and does not effectively represent the Golf Division in the larger City of Wichita organization. The Committee believes moving the Golf Division back under the Finance Director may correct this problem. The Committee also sees a role for continued citizen oversight of the Golf system, and is recommending that the current members of the Golf Advisory Committee transition into a new Golf Advisory Board until the City Council can appoint new members. The Golf Advisory Board would be a distinct entity from the Park Board and would only report to the City Council. The Golf Advisory Board would be charged with channeling community input, supporting Golf Division staff, and holding the division accountable for positive results in the future. The Golf Division Manager would report to the Golf Advisory Board similar to the way the Director of Park & Recreation reports to the Park Board.

3. **Improve customer service and salesmanship through training.**

While the Committee believes current Golf staff and management are capable of continued improvement, they will need outside assistance to reach their full potential. Rather than paying LU \$150,000 per year to improve customer service and salesmanship, the Committee believes the more prudent course of action is to hire a consultant specializing in these areas for a substantially lower cost. The Committee also believes internal City of Wichita resources (Human Resources, Finance, and the City Manager's Office) should become more engaged with Golf Division staff to assist them with business practice analysis and improvements.

4. **Create a full-time marketing and business development position.**

The business plan prepared by the Golf Division calls for new player and business development responsibilities to be assigned to current staff. Given the importance of these responsibilities, the fact the division has unfilled positions, and the perceived need by the Committee for additional marketing resources devoted to Golf, the Committee is recommending the creation of a full-time marketing and business development position. The Committee feels it is unfeasible for the Golf division to successfully absorb these added responsibilities without an additional person, and that this cost is justifiable given the increases in revenue. With extra revenue coming in, some of it needs to be reinvested in continued growth. An existing unfilled position within the division could be revised to reflect these new responsibilities and minimize costs.

5. **Conduct a review of the pro shop sales model.**

One of LU's proposals was to bring the sale of pro shop goods in house which would substantially increase the City's earnings at the expense of added risk and reduced compensation for the golf professionals. While there may be some merit to the idea, the Committee did not feel comfortable recommending LU's model outright for fear it would unfairly affect the compensation of golf professionals. The Committee is recommending

City staff review the existing model and create a new arrangement that increases City revenue while ensuring the golf professionals are fairly compensated.

6. **Replace the current Golf software system.**

Throughout the RFP selection process a number of firms proposed marketing techniques based on thorough customer analysis that would be difficult if not impossible to implement given the Golf Division's current software package. The Committee feels this is another area where the City must be willing to spend additional money in order to continue growing revenues.

7. **Review results after one year to ensure accountability.**

A year after one of the most dramatic turnarounds in Wichita Golf's history is not the correct time for a leadership change. However, it is imperative the Golf Division maintains this momentum into next year and beyond if Wichita Golf is to remain sustainable in the future. While rewarding last year's financial success with additional investments in training, a new position, and a new software system should help fuel additional growth, ultimately public management must be held accountable. Moving the Golf Division under the Finance Department and forming the Golf Advisory Board should help, but the Committee believes a review of the Golf Division's performance at the end of next year is warranted. If at that time performance has dropped and momentum has stalled, the Golf Advisory Board should reconsider contracting with LU.